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Ottawa, March 29, 2007
2007-028

Minister of Finance Introduces Bill Implementing Budget 2007 Measures

The Honourable Jim Flaherty, Minister of Finance, today introduced a bill in the House of Commons to implement tax measures proposed in Budget 2007 and detailed in the Notice of Ways and Means Motion tabled on March 27, 2007.

"The legislation tabled today will implement important measures in Budget 2007 and help us realize the vision set out in *Advantage Canada*, the long-term economic plan of Canada's New Government," said Minister Flaherty. "It contains much-needed tax relief for families and businesses and will help to create the economic advantages the country needs to be stronger and more internationally competitive."

The measures include:

- Introducing a $2,000 child tax credit that will provide up to $310 per child of tax relief to more than three million Canadian families.
- Increasing the spousal and other amounts, which will provide up to $209 of tax relief for a supporting spouse or single taxpayer who is supporting a child or relative.
- Enacting the Tax Fairness Plan, which delivers over $1 billion in additional tax savings annually for Canadian pensioners and seniors, including pension income splitting.

In addition to the measures set out in the Notice, today's bill includes measures to:

- Enact the Tax Back Guarantee Act, which legislates the Government's commitment to use all interest savings from federal debt reduction each year to reduce personal income taxes.
- Amend the Federal-Provincial Fiscal Arrangements Act to set out the amounts of fiscal equalization payments to provinces and territories under the new formula for the fiscal year beginning April 1, 2007.
- Support major clean air and climate change projects with provinces and territories through the $1.5-billion Canada ecoTrust for Clean Air and Climate Change.
- Provide up to $612 million to support jurisdictions that have made

commitments to implement patient wait times guarantees.

- Provide $300 million for a monumental vaccine program to protect women and girls against cancer of the cervix.
- Provide predictable, long-term funding for the Canada Social Transfer in support of post-secondary education, social assistance and social services, including early childhood development and early learning and child care services.
- Allow the Minister of Finance to provide funding to the Financial Consumer Agency of Canada for financial literacy activities.
- Modernize bankruptcy and insolvency rules to ensure full legal protection for eligible financial contracts.
- Enhance the Government's borrowing authority, including consolidating the borrowing of major Crown corporations.

Legislation to implement the remaining Budget 2007 tax proposals is being developed for introduction at a later time.

Detailed explanatory notes relating to the tax measures in the bill tabled today will be available free of charge on the Department of Finance website in the near future. Printed copies will also be available for $10.00 from the Department of Finance Distribution Centre at 613-995-2855.

Further information on the budget tabled on March 19, 2007, is available on the Department of Finance website.

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